

Air Quality Permit

Issued To: Devon Louisiana Corporation
Herron Compressor Station
Hill County #2
P.O. Box 2606
Clear Creek Road
Havre, MT 59501

Permit #2923-05
Application Complete: 11/17/05
Preliminary Decision Issued: 12/22/05
Department Decision Issued: 01/09/06
Permit Final: 01/25/06
AFS #041-0004

An air quality permit, with conditions, is hereby granted to Devon Louisiana Corporation (Devon), pursuant to Sections 75-2-204 and 211, Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

Devon operates a natural gas compressor station and associated equipment located in the SE¼ of the NW¼ of Section 34, Township 31 North, Range 15 East, of Hill County, Montana. The facility is known as the Herron Compressor Station - Hill County #2. A complete list of equipment is included in Section I of the permit analysis.

B. Current Permit Action

On November 8, 2005, the Montana Department of Environmental Quality (Department) received a permit application to add a natural gas-fired compressor engine equal to, or less than 625-horsepower (hp). The compressor engine is proposed to be a 4-stroke rich-burn engine equipped with non-selective catalytic reduction (NSCR) and an air-to-fuel ratio (AFR) controller. The current permit action permits the installation and operation of the proposed compressor engine.

Section II: Limitations and Conditions

A. Emission Limitations

1. The 325-hp Caterpillar G3406 TA rich-burn natural gas compressor engine shall be equipped with NSCR and an AFR controller. Emissions from the compressor engine shall not exceed the following pound per hour (lb/hr) limits (ARM 17.8.752):

Oxides of Nitrogen (NO _x ¹)	0.72 lb/hr
Carbon Monoxide (CO)	0.36 lb/hr
Volatile Organic Compounds (VOC)	0.72 lb/hr

¹ NO_x reported as NO₂.

2. The rich-burn natural gas compressor engine equal to, or less than 625-hp shall be equipped with NSCR and an AFR controller. Emissions from the compressor engine shall not exceed the following gram per brake horsepower-hour limits (ARM 17.8.752):

NO _x	1.0 g/bhp-hr
CO	2.0 g/bhp-hr
VOC	1.0 g/bhp-hr

3. Devon shall operate all equipment to provide the maximum air pollution control for which it was designed (ARM 17.8.752).
4. Devon shall not cause or authorize emissions from the Herron Compressor Station to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over six consecutive minutes (ARM 17.8.304).
5. Devon shall not cause or authorize emissions to be discharged into the atmosphere from haul roads, access roads, parking lots, or the general plant property without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).
6. Devon shall treat all unpaved portions of the access roads, parking lots, and general plant area with fresh water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.5 (ARM 17.8.749).

B. Testing Requirements

1. Devon shall test the 325-hp Caterpillar G3406TA natural gas compressor engine for NO_x and CO, concurrently, to demonstrate compliance with the NO_x and CO emission limits contained in Section II.A.1 on an every four-year basis or according to another testing/monitoring schedule as approved by the Department (ARM 17.8.105 and ARM 17.8.749).
2. Devon shall initially test the natural gas compressor engine equal to, or less than 625-hp for NO_x and CO, concurrently, to demonstrate compliance with the NO_x and CO emission limits contained in Section II.A.2, within 180 days of the initial start up. After the initial source test, testing shall continue on an every four-year basis or according to another testing/monitoring schedule as approved by the Department (ARM 17.8.105 and ARM 17.8.749).
3. During each test, Devon shall monitor the compressor engine intake manifold temperature and pressure, exhaust temperature, manifold pressure, revolutions per minute (rpm), and all parameters necessary to calculate horsepower. This data shall be submitted to the Department with the source test report (ARM 17.8.105).
4. All compliance source tests shall be conducted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
5. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements:

1. Devon shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in the emission inventory contained in the permit analysis. Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department. This information may be used to calculate operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).
2. Devon shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).
3. All records compiled in accordance with this permit must be maintained by Devon as a permanent business record for at least five years following the date of the measurement, must be available at the plant site for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

D. Notification:

1. Devon shall provide the Department with written notification of the actual start-up date of the compressor engine equal to, or less than 625-hp within 15 days after the actual start-up date (ARM 17.8.749).
2. Devon shall follow all notification requirements as stated in the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

SECTION III: General Conditions

- A. Inspection – Devon shall allow the Department’s representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and the terms, conditions, and matters stated herein shall be deemed accepted if Devon fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving Devon of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).

- D. Enforcement – Violations of limitations, conditions, and requirements contained herein may constitute grounds for permit revocation, penalties, or other enforcement action as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department’s decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department’s decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department’s decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department’s decision on the application is final 16 days after the Department’s decision is made.
- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by the Department at the location of the source.
- G. Permit Fee – Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by Devon may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Construction Commencement – Construction must begin within three years of permit issuance and proceed with due diligence until the project is complete or the permit shall be revoked (ARM 17.8.762).

Permit Analysis
Devon Louisiana Corporation
Permit #2923-05

I. Introduction/Process Description

A. Site Location

Devon Louisiana Corporation (Devon) owns and operates a natural gas compressor station located approximately 11 miles southwest of Havre and one-half mile north of the Rocky Boy Indian Reservation. The facility is known as the Heron Compressor Station – Hill County #2. The legal description of the site is the SE¼ of the NW¼ of Section 34, Township 31 North, Range 15 East of Hill County, Montana. The facility occupies three rural acres that are fenced to restrict access.

B. Permitted Equipment

Devon operates the following equipment at the site:

- (1) 325-horsepower (hp) Caterpillar G3406TA rich-burn compressor station with non-selective catalytic reduction (NSCR) and an air-to-fuel ratio (AFR) controller.
- (1) Equal to, or less than, 625-horsepower (hp) compressor station with NSCR and an AFR controller.

C. Permit History

On March 13, 1996, the Department of Environmental Quality (Department) received an application from Havre Pipeline Company, LLC (HPC), requesting the installation and operation of a 625-hp Caterpillar "low-emission" compressor engine at the Herron Compressor Station. This facility gathered, compressed and sold pipeline quality natural gas for further transportation to major market areas. Permit # **2923-00** was issued on June 27, 1996, to HPC.

On June 3, 1999, the Department received notification that UMC Petroleum Corp was merged with Ocean Energy, Inc. The permit ownership was changed to reflect that the HPC compressor operates as a subsidiary of Ocean Energy, Inc. Also, rule references were updated. On June 27, 1999, Permit # **2923-01** replaced Permit #2923-00.

In 1999, the U.S. Environmental Protection Agency (EPA) informed the Department that any condition in an air quality preconstruction permit would be considered a federally enforceable condition. However, there are certain state rules that were never intended to be federally enforceable. The Department notified all facilities holding preconstruction permits that they could request deletion of the conditions based on the Administrative Rules of Montana (ARM) 17.8.717 and ARM 17.8.315. Removing either of these conditions does not relieve the facility from complying with the rule upon which the permit condition was based; removal only ensures that enforcement of that condition remains with the Department. This permit action removed the condition based on ARM 17.8.315 from HPC's permit. Permit #**2923-02** replaced Permit #2923-01.

On May 4, 2004, the Department received an application from HPC for modification of Montana Air Quality Permit #2923-02. Specifically, the current permit action accounts for the replacement of the previously permitted 625-hp Caterpillar G398 TALE compressor engine with a 325-hp Caterpillar G3406 TA compressor engine. Permit #2923-03 replaced Permit #2923-02.

On August 23, 2004, the Department received a request to change the corporate name on Permit #2923-03 from HPC to Devon. The current permit action changes the corporate name on Permit #2923-03. Permit #2923-04 replaced Permit #2923-03.

D. Current Permit Action

On November 8, 2005, the Department received a permit application to add a natural gas-fired compressor engine equal to, or less than 625-hp. The compressor engine is proposed to be a 4-stroke rich-burn engine equipped with non-selective catalytic reduction (NSCR) and an air-to-fuel ratio (AFR) controller. Permit #2923-05 replaces Permit #2923-04.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the permit analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the ARM and are available, upon request, from the Department. Upon request, the Department will provide references for location of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emissions of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment, including instruments and sensing devices, and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
2. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

Devon shall comply with all requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

3. ARM 17.8.110, Malfunctions. The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation, or to continue for a period greater than four hours.
4. ARM 17.8.111 Circumvention. No person shall cause or permit the installation or use of any device or any means which, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant which would otherwise violate an air pollution control regulation. No equipment that may produce emissions shall be operated or maintained in such a manner that a public nuisance is created.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to:

1. ARM 17.8.204 Ambient Air Monitoring Quality Assurance Procedures
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standards for Ozone
6. ARM 17.8.214 Ambient Air Quality Standards for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standards for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standards for Visibility
9. ARM 17.8.222 Ambient Air Quality Standards for Lead
10. ARM 17.8.223 Ambient Air Quality Standards for PM₁₀
11. ARM 17.8.230 Fluoride in Forage

Devon shall maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate. Under this rule, Devon shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere, particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter in excess of the amount set forth in this rule.
5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. Commencing July 1, 1971, no person shall burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions. Devon will consume pipeline quality natural gas, which will meet this

limitation, in the compressor engine.

6. ARM 17.8.324(3) Hydrocarbon Emissions--Petroleum Products. No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such a tank is equipped with a vapor loss control device as described in (1) of this rule, or is a pressure tank as described in (1) of this rule.
7. ARM 17.8.340 Standard of Performance for New Stationary Sources. This rule incorporates, by reference, 40 Code of Federal Regulations (CFR) Part 60, Standards of Performance for New Stationary Sources (NSPS). The owner or operator of any stationary source or modification, as defined and applied in 40 CFR Part 60, shall comply with the NSPS. Devon is not an NSPS affected facility because the facility does not meet any of the definitions for affected facility in 40 CFR Part 60.

Subpart KKK, Standards of Performance for Equipment Leaks of Volatile Organic Compounds from Onshore Natural Gas Processing Plants. This subpart is not applicable to this facility because the facility does not process natural gas.

8. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR 63, shall comply with the requirements of 40 CFR 63, as listed below:

40 CFR 63, Subpart HH, National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities. Owners or operators of oil and natural gas production facilities, as defined and applied in 40 CFR Part 63, shall comply with the applicable provisions of 40 CFR Part 63, Subpart HH. In order for a natural gas production facility to be subject to 40 CFR Part 63, Subpart HH requirements, certain criteria must be met. First, the facility must be a major source of Hazardous Air Pollutants (HAP) as determined according to paragraphs (a)(1)(i) through (a)(1)(iii) of 40 CFR 63, Subpart HH. Second, a facility that is determined to be major for HAPs must also either process, upgrade, or store hydrocarbon liquids prior to the point of custody transfer, or process, upgrade, or store natural gas prior to the point at which natural gas enters the natural gas transmission and storage source category or is delivered to a final end user. Third, the facility must also contain an affected source as specified in paragraphs (b)(1) through (b)(4) of 40 CFR Part 63, Subpart HH. Finally, if the first three criteria are met, and the exemptions contained in paragraphs (e)(1) and (e)(2) of 40 CFR Part 63, Subpart HH do not apply, the facility is subject to the applicable provisions of 40 CFR Part 63, Subpart HH. Based on the information submitted by Devon, the compressor station is not subject to the provisions of 40 CFR Part 63, Subpart HH because the facility is not a major source of HAPs.

40 CFR 63, Subpart HHH, National Emission Standards for Hazardous Air Pollutants From Natural Gas Transmission and Storage Facilities. Owners or operators of natural gas transmission or storage facilities, as defined and applied in 40 CFR Part 63, shall comply with the standards and provisions of 40 CFR Part 63, Subpart HHH. In order for a natural gas transmission and storage facility to be subject to 40 CFR Part 63, Subpart HHH requirements, certain criteria must be met. First, the facility must transport or store natural gas prior to the gas entering the pipeline to a local distribution company or to a final end user if there is no local distribution company. In addition, the facility must be a major source of HAPs as determined using the maximum natural gas throughput as calculated in either paragraphs (a)(1) and (a)(2) or paragraphs (a)(2) and (a)(3) of 40 CFR Part 63, Subpart HHH. Second, a facility must

contain an affected source (glycol dehydration unit) as defined in paragraph (b) of 40 CFR Part 63, Subpart HHH. Finally, if the first two criteria are met, and the exemptions contained in paragraph (f) of 40 CFR Part 63, Subpart HHH, do not apply, the facility is subject to the applicable provisions of 40 CFR Part 63, Subpart HHH. Based on the information submitted by Devon, the compressor station is not subject to the provisions of 40 CFR 63, Subpart HHH because the facility is not a major source of HAPs and does not include a glycol dehydration unit.

40 CFR 63, Subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines. Owners or operators of facilities that utilize reciprocating internal combustion engines (RICE) and that are a major source of HAPs, as defined and applied in 40 CFR Part 63, shall comply with the standards and provisions of 40 CFR Part 63, Subpart ZZZZ. In order for a facility that utilizes RICE to be subject to 40 CFR Part 63, Subpart ZZZZ requirements, certain criteria must be met. The RICE must have a maximum rated design capacity greater than 500-hp and the facility must be a major source of HAPs. Based on the information submitted by Devon, the compressor station is not subject to the provisions of 40 CFR 63, Subpart ZZZZ because the facility is not a major source of HAPs.

- D. ARM 17.8, Subchapter 4 – Stack Height and Dispersion Techniques, including, but not limited to:
1. ARM 17.8.401 Definitions. This rule includes a list of definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 2. ARM 17.8.402 Requirements. Devon must demonstrate compliance with the ambient air quality standards with a stack height that does not exceed Good Engineering Practices (GEP). The height of the stack for Devon is below the allowable 65-meter GEP stack height.
- E. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:
1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. Devon submitted the appropriate permit application fee for the current permit action.
 2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit, excluding an open burning permit, issued by the Department; and the air quality operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, as described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions which pro-rate the required fee amount.

- F. ARM 17.8, Subchapter 7 - Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:
1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter or use any air contaminant sources that have the Potential to Emit (PTE) greater than 25 tons per year of any pollutant. Devon has a pre-control PTE greater than 25 tons per year of CO; therefore, an air quality permit is required.
 3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
 4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
 5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, alteration or use of a source. Devon was not required to submit an application because the current permit action is considered an administrative amendment. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. Devon submitted an affidavit of publication of public notice for the November 4, 2005, issue of the *Havre Daily News*, a newspaper of general circulation in the Town of Havre, Montana in Hill County, as proof of compliance with the public notice requirements.
 6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
 7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.
 8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
 9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving Devon of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*

10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.
11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
14. ARM 17.8.765 Transfer of Permit. This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.

G. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications-- Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification, with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source since this facility is not a listed source and the facility's PTE is below 250 tons per year of any pollutant (excluding fugitive emissions).

H. ARM 17.8, Subchapter 12 - Operating Permit Program, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any stationary source having:
 - a. PTE > 100 tons/year of any pollutant;

- b. PTE > 10 tons/year of any one HAP or PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule;
 - c. PTE > 70 tons/year of PM₁₀ in a serious PM₁₀ nonattainment area.
2. ARM 17.8.1204 Air Quality Operating Permit Program Applicability. Title V of the FCAA of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. The following conclusions were reached in reviewing and issuing Air Quality Permit #2923-04 for Devon:
- a. The facility's PTE is less than 100 tons/year for any pollutant.
 - b. The facility's PTE is less than 10 tons/year for any one HAP, and less than 25 tons/year for all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is not subject to any current NSPS.
 - e. This facility is not subject to any current NESHAP standards.
 - f. This source is not a Title IV affected source or a solid waste combustion unit.
 - g. This source is not an EPA designated Title V source.

Based on these facts, the Department determined that Devon is a minor source of emissions as defined under Title V.

III. BACT Determination

A BACT determination is required for each new or altered source. Devon shall install on the new or altered source the maximum air pollution control capability which is technically practicable and economically feasible, except that BACT shall be utilized.

A BACT analysis was submitted by Devon in Permit Application #2923-05, addressing some available methods of controlling emissions from the Compressor Engine equal to, or less than 625-hp. The Department reviewed these methods, as well as previous BACT determinations in order to make the following BACT determination.

A. NO_x BACT

As part of the NO_x BACT analyses, the following control technologies were reviewed:

- Rich-burn engine with a selective catalytic reduction (SCR) unit;
- Rich-burn engine with a non-selective catalytic reduction (NSCR) unit and an air-to-fuel ratio (AFR) controller;
- Rich-burn engine with no additional controls;
- Lean-burn engine with an NSCR unit;
- Lean-burn engine with an SCR unit and an AFR controller;
- Lean-burn engine with no additional controls.

SCR applied to rich-burn engines is technically infeasible because the oxygen concentration from rich-burn engines is not high enough for an SCR to operate properly. Conversely, NSCR on a lean-burn engine is technically infeasible because the engine must burn a rich fuel mixture for the NSCR to operate properly. Finally, SCR applied to a lean-burn engine is considered technically infeasible because of the potential adverse environmental impacts from ammonia slip, which would be generated by the typical load fluctuation that is required for this compressor engine application.

Technically feasible control options, in order of the highest control efficiency to the lowest control efficiency, include the following control options contained in Table 1:

Table 1 – Technically Feasible Control Options

Control Technology	% Control	NO_x Emission Rate (g/hp-hr)	NO_x Emission Rate (ton/yr)
Rich-burn Engine with NSCR and AFR	Approx. 90%	1.0	14.27
Lean Burn Engine with No Additional Control	0	1.0	14.27
Rich-burn Engine with No Additional Controls	0	8.5	121.33

Devon is proposing to use an existing 4-stroke rich-burn engine equipped with an NSCR unit and an AFR controller. The use of this engine with an NSCR unit and an AFR controller is the highest ranking control alternative that was not eliminated from further consideration due to being technically infeasible or due to the additional environmental, energy, or economic impacts. The Department agrees that the proposed NO_x emission limit of 1.0 grams per brake horsepower-hr (g/bhp-hr) using an NSCR unit and an AFR controller to control NO_x emissions is BACT. A rich-burn engine equipped with NSCR and AFR control is frequently used in the natural gas compression industry and the BACT determination is consistent with other recently permitted similar sources.

B. CO BACT

As part of the CO BACT analyses, the following control technologies were reviewed:

- Rich-burn engine with catalytic oxidation and AFR;
- Rich-burn engine with an NSCR unit and an AFR controller;
- Rich-burn engine with no additional controls;
- Lean-burn engine with an NSCR unit;
- Lean-burn engine with catalytic oxidation and AFR;
- Lean-burn engine with no additional controls.

Catalytic oxidation applied to a rich-burn is technically infeasible because the oxygen concentration from a rich-burn engine is not high enough for a catalytic oxidation unit to operate properly. An NSCR unit applied to a lean-burn engine is also technically infeasible because the NSCR unit needs a rich fuel-to-air ratio to operate properly.

Technically feasible control options, in order of the highest control efficiency to the lowest control efficiency, are contained in Table 2:

Table 2 - Technically Feasible Control Options

Control Technology	% Control	CO Emission Rate (g/hp-hr)	CO Emission Rate (ton/yr)
Lean Burn Engine with Catalytic Oxidizer and AFR	70%-90%	0.5	7.1
Rich-burn Engine with NSCR and AFR	80%-90%	2.0	12.1
Lean Burn Engine with No Additional Controls	0	1.5	9.07
Rich-burn Engine with No Additional Controls	0	32	456.7

The control methods listed above are widely used; these control options cannot be ruled out based on environmental or energy impacts. Lean-burn engines do emit relatively higher HAP (formaldehyde) emissions than rich-burn engines. However, lean-burn engines cannot be eliminated based on higher formaldehyde emissions, but the higher formaldehyde emissions can affect the BACT determination.

Devon is proposing to use an existing 4-stroke rich-burn engine equipped with an NSCR unit and an AFR controller. Table 3 shows the cost per ton of CO reduction achieved for the various control options. Total annual cost takes into consideration operating and maintenance cost as well as capital cost. The capital cost of purchasing a new rich-burn engine is considered zero. The capital costs of purchasing a lean-burn engine and rich-burn retrofit were provided by Devon.

Table 3 – Cost Effectiveness

Control Technology	Total Annual Cost	Resulting CO Emissions (tpy)	Cost Effectiveness (\$/ton)
Lean Burn Engine with Catalytic Oxidizer and AFR	\$159,261	3.0	\$838
Rich-burn Engine with NSCR and AFR	\$59,510	12.1	\$329
Lean Burn Engine with No Additional Controls	\$154,192	9.1	\$838
Rich-burn Engine with No Additional Controls	\$57,888	193.1	----

The cost effectiveness of a lean-burn engine with a catalytic oxidizer and AFR controller is approximately \$838 per ton of CO removed, which is well within industry norm. Table 4 examines the incremental cost per ton of CO removed between a lean-burn engine with a catalytic oxidizer and a rich-burn engine with an NSCR unit and an AFR controller.

Table 4 – Incremental Cost Effectiveness

Control Technology	Total Annual Cost	Resulting CO Emissions (tpy)	Incremental Cost Effectiveness (\$/ton)
Lean Burn Engine with Catalytic Oxidizer and AFR	\$159,261	3.0	\$10,962
Rich-burn Engine with NSCR and AFR	\$59,510	12.1	----

Table 4 demonstrates that the incremental cost per ton of CO removed by utilizing the lean-burn engine option can be considered above industry norms. Therefore, the use of the existing rich-burn engine with an NSCR unit and an AFR controller is the most cost-effective method to control CO emissions.

Purchasing the top control, a lean-burn engine equipped with an oxidation catalyst and an AFR controller would cost approximately an additional \$10,962 per additional ton of CO removed beyond the proposed engine. The Department agrees that the next best control option, the rich-burn engine with an NSCR unit and an AFR controller, with an emission limit of 1.0 g/bhp-hr is BACT. A rich-burn engine equipped with an NSCR unit and an AFR controller is frequently used in the natural gas compression industry and the BACT determination is consistent with other recently permitted similar sources.

C. Volatile Organic Compounds (VOC) BACT

Devon proposed the use of an NSCR unit and an AFR controller to meet a pound per hour (lb/hr) limit equivalent to 1.0 g/hp-hr. The Department determined that this control, burning pipeline quality natural gas, and meeting the lb/hr emission limit equivalent to 1.0 g/hp-hr constitute VOC BACT for the proposed compressor engine.

D. PM₁₀ and Sulfur Dioxide (SO₂) BACT

The Department is not aware of any BACT determinations that have required controls for PM₁₀ or SO₂ emissions from natural gas fired compressor engines. Devon proposed no additional controls and burning pipeline quality natural gas as BACT for PM₁₀ and SO₂ emissions from the proposed compressor engine. Due to the relatively small amount of PM₁₀ and SO₂ emissions from the proposed engine and the cost of adding additional control, any add-on controls would be cost prohibitive. Therefore, the Department concurred with Devon's BACT proposal and determined that no additional controls and burning pipeline quality natural gas will constitute BACT for PM₁₀ and SO₂ emissions from the compressor engine.

The control options selected have controls and control costs comparable to other recently permitted similar sources and are capable of achieving the appropriate emission standards.

IV. Emission Inventory

Emission Source	Criteria Pollutant Emissions				
	tons/year				
	PM ₁₀	NO _x	CO	VOC	SO _x

Caterpillar G3406TA Compressor Engine	0.10	3.14	1.57	3.14	0.01
Up to 625-hp Compressor Engine	0.21	6.04	12.08	6.04	0.01

HAP emissions for this source are negligible at 1.2 ton/yr. A complete HAP emission inventory is on file with the Department.

Caterpillar G3406TA Compressor Engine

Heat Input Capacity: 2.3 MMBtu/hr (Company Information)
Annual Operation: 8760 hr/yr
Engine Power Output: 325-hp

PM₁₀ Emissions:

Emission Factor: 9.91E-03 lb/MMBtu (AP-42, Section 3.2, Table 3.2-3, 07/00)
Calculations: $9.91\text{E-}03 \text{ lb/MMBtu} * 2.3 \text{ MMBtu/hr} = 0.023 \text{ lb/hr}$
 $0.023 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.10 \text{ ton/yr}$

NO_x Emissions:

Emission Factor: 1.0 g/hp-hr (Department BACT Determination)
Calculations: $1.0 \text{ g/hp-hr} * 325 \text{ hp} * 0.002205 \text{ lb/g} = 0.72 \text{ lb/hr}$
 $0.72 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 3.14 \text{ ton/yr}$

CO Emissions:

Emission Factor: 0.5 g/hp-hr (Department BACT Determination)
Calculations: $0.5 \text{ g/hp-hr} * 325 \text{ hp} * 0.002205 \text{ lb/g} = 0.36 \text{ lb/hr}$
 $0.36 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 1.57 \text{ ton/yr}$

VOC Emissions:

Emission Factor: 1.0 g/hp-hr (Department BACT Determination)
Calculations: $1.0 \text{ g/hp-hr} * 325 \text{ hp} * 0.002205 \text{ lb/g} = 0.72 \text{ lb/hr}$
 $0.72 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 3.14 \text{ ton/yr}$

SO_x Emissions:

Emission Factor: 5.88E-04 lb/MMBtu (AP-42, Section 3.2, Table 3.2-3, 07/00)
Calculations: $5.88\text{E-}04 \text{ lb/MMBtu} * 2.3 \text{ MMBtu/hr} = 0.001 \text{ lb/hr}$
 $0.001 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.01 \text{ ton/yr}$

Maximum 625-hp Compressor Engine

Heat Input Capacity: 4.9 MMBtu/hr (Company Information)
Annual Operation: 8760 hr/yr
Engine Power Output: 625-hp

PM₁₀ Emissions:

Emission Factor: 9.91E-03 lb/MMBtu (AP-42, Section 3.2, Table 3.2-3, 07/00)
Calculations: $9.91\text{E-}03 \text{ lb/MMBtu} * 4.9 \text{ MMBtu/hr} = 0.049 \text{ lb/hr}$
 $0.049 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.21 \text{ ton/yr}$

NO_x Emissions:

Emission Factor: 1.0 g/hp-hr (Department BACT Determination)

Calculations: $1.0 \text{ g/hp-hr} * 625 \text{ hp} * 0.002205 \text{ lb/g} = 1.38 \text{ lb/hr}$
 $1.38 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 6.04 \text{ ton/yr}$

CO Emissions:

Emission Factor: 2.0 g/hp-hr (Department BACT Determination)

Calculations: $2.0 \text{ g/hp-hr} * 625 \text{ hp} * 0.002205 \text{ lb/g} = 2.76 \text{ lb/hr}$
 $2.76 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 12.08 \text{ ton/yr}$

VOC Emissions:

Emission Factor: 1.0 g/hp-hr (Department BACT Determination)

Calculations: $1.0 \text{ g/hp-hr} * 625 \text{ hp} * 0.002205 \text{ lb/g} = 1.38 \text{ lb/hr}$
 $1.38 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 6.04 \text{ ton/yr}$

SO_x Emissions:

Emission Factor: 5.88E-04 lb/MMBtu (AP-42, Section 3.2, Table 3.2-3, 07/00)

Calculations: $5.88\text{E-}04 \text{ lb/MMBtu} * 4.9 \text{ MMBtu/hr} = 0.003 \text{ lb/hr}$
 $0.003 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.01 \text{ ton/yr}$

V. Existing Air Quality

The facility is located in the SE¼ of the NW¼ of Section 34, Township 31 North, Range 15 East, in Hill County, Montana. Hill County is considered unclassifiable/attainment for the National Ambient Air Quality Standards (NAAQS) for all criteria pollutants.

VI. Ambient Air Impact Analysis

This permitting action results in a slight emission increase; however, the Department determined that any impacts would be minor. The Department believes the current permit action will not cause or contribute to a violation of any ambient air quality standard.

VII. Taking or Damaging Implication Analysis

As required by 2-10-101 through 105, MCA, the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

VII. Environmental Assessment

An environmental assessment, required by the Montana Environmental Policy Act, was completed for this project. A copy is attached.

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901, Helena, Montana 59620
(406) 444-3490

FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Devon Louisiana Corporation
Hill County #2 Compressor Station
P.O. Box 2606
Clear Creek Road
Havre, MT 59501

Air Quality Permit Number: 2923-05

Preliminary Determination Issued: December 22, 2005

Department Decision Issued: January 9, 2006

Permit Final: January 25, 2006

1. *Legal Description of Site:* The Hill County #2 Compressor Station is located approximately 11 miles southwest of Havre, Montana and one-half mile north of the Rocky Boy Indian Reservation. The legal description of the location is the SE ¼ of the SE ¼ of Section 15, Township 30 North, Range 15 East in Hill County, Montana.
2. *Description of Project:* The current permit action would permit a natural gas-fired compressor engine equal to, or less than 625-hp. The compressor engine is proposed to be a 4-stroke rich burn engine equipped with NSCR and an AFR controller.
3. *Objectives of Project:* The addition of a 625-hp compressor engine would increase Devon's ability to gather and compress more field gas.
4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the "no-action" alternative. The "no-action" alternative would deny issuance of the Air Quality Preconstruction Permit to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because Devon demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the "no-action" alternative was eliminated from further consideration.
5. *A Listing of Mitigation, Stipulations, and Other Controls:* A list of enforceable conditions, including a BACT analysis, would be included in Permit #2923-05.
6. *Regulatory Effects on Private Property:* The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions would be reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and would not unduly restrict private property rights.

7. The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats			X			Yes
B	Water Quality, Quantity, and Distribution			X			Yes
C	Geology and Soil Quality, Stability and Moisture			X			Yes
D	Vegetation Cover, Quantity, and Quality			X			Yes
E	Aesthetics				X		Yes
F	Air Quality			X			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources			X			Yes
H	Demands on Environmental Resource of Water, Air and Energy			X			Yes
I	Historical and Archaeological Sites				X		Yes
J	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats

Minor impacts to terrestrial and aquatic life and habitats would be expected from the proposed project because the facility would emit additional air pollutants associated with the project and corresponding deposition of pollutants would occur; however, as described in Section 7.F. of this EA, the Department determined that any impacts from deposition would be minor. Further, the proposed project is at an existing facility. Overall, any impacts to terrestrial and aquatic life and habitats would be minor.

B. Water Quality, Quantity, and Distribution

No direct discharges into surface water would occur from operating the facility. Further, the proposed project is at an existing facility. However, minor amounts of water may be required to control fugitive dust emissions from the access roads and the general facility property. In addition, minor impacts would be expected on water quality, quantity, and distribution from the proposed project because the facility would be a source of air pollutants, as described in Section 7.F. of this EA.

C. Geology and Soil Quality, Stability, and Moisture

The proposed project is at an existing facility, which would minimize any impact to the geology and soil quality, stability, and moisture. Minor impacts would occur on the geology and soil quality, stability, and moisture from the proposed project because deposition of pollutants would occur. However, as described in Section 7.F of this EA, the Department determined that any impacts from deposition would be minor.

D. Vegetation Cover, Quantity, and Quality

Minor impacts would occur to vegetation cover, quantity, and quality because the facility would be an additional source of air pollutants as a result of the project and corresponding deposition of pollutants would occur. As described in Section 7.F of this EA, the Department determined that any impacts from deposition to vegetation cover, quantity, and quality would be minor. Further, the proposed project is at an existing facility.

E. Aesthetics

The proposed project would not result in any impact to the aesthetic nature of the area because the proposed project is at an existing facility and would not change the current industrial use of the area or the appearance of the facility.

F. Air Quality

The air quality of the area would realize minor impacts from the proposed project because the facility would emit the following air pollutants: PM₁₀, HAPs, NO_x, CO, VOC, and SO_x. The Department determined that any impacts from emissions would be minor due to the relatively small amount of pollutants that would be emitted. Also, air emissions from the facility would be minimized by limitations and conditions that would be included in Permit #2923-05. Conditions would include, but would not be limited to, BACT emission limits and opacity limitations on the proposed engine and/or the general facility. The Department believes that the emissions resulting from the proposed project would be well dispersed, resulting in lower deposition impacts to the affected area.

In addition, the Department believes that the existing facility is in compliance with all applicable air quality standards, as permitted under the existing permit. Therefore, since the facility emissions would be well dispersed, the Department determined that the proposed project would maintain compliance with all applicable ambient air quality standards. Therefore, any impacts to air quality from the proposed project would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The proposed project includes the operation of equipment that would result in air pollutant emissions. The proposed project is at an existing facility. The Department determined that any impacts to any existing unique endangered, fragile, or limited environmental resource due to the deposition of air pollutants would be minor.

H. Demands on Environmental Resource of Water, Air, and Energy

The proposed project would have minor impacts on the demands for the environmental resources of air and water because the facility would be a source of air pollutants. Deposition of pollutants would occur as a result of operating the facility; however, as explained in Section 7.F of this EA, the Department determined that any impacts from deposition would be minor.

The proposed project would have minor impacts on the demand for the environmental resource of energy because power would be required at the site. Further, the proposed project is at an existing facility. Overall, the impacts for the demands on the environmental resources of water, air, and energy would be minor.

I. Historical and Archaeological Sites

The proposed project would not result in any impact to any existing historical and archaeological sites in the proposed project area because the proposed equipment would operate at an existing facility, within an existing industrial area, and the proposed project would not require any additional construction. According to previous correspondence from the Montana State Historic Preservation Office, there is low likelihood of any disturbance to any known archaeological or historic site, given previous industrial disturbance within a given area. Therefore, the Department determined that the proposed project would not impact any existing historical or archaeological site.

J. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from the proposed project on the physical and biological resources of the human environment in the immediate area would be minor because the predominant use of the surrounding area would not change, because any cumulative and secondary impacts from the proposed project would be minor, and because the proposed project is part of an existing facility. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in Permit #2923-05.

8. The following table summarizes the potential economic and social effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Social Structures and Mores				X		Yes
B	Cultural Uniqueness and Diversity				X		Yes
C	Local and State Tax Base and Tax Revenue				X		Yes
D	Agricultural or Industrial Production				X		Yes
E	Human Health			X			Yes
F	Access to and Quality of Recreational and Wilderness Activities				X		Yes
G	Quantity and Distribution of Employment				X		Yes
H	Distribution of Population				X		Yes
I	Demands for Government Services			X			Yes
J	Industrial and Commercial Activity			X			Yes
K	Locally Adopted Environmental Plans and Goals				X		Yes
L	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores

The proposed project would not impact the social structures and mores of the proposed area of operation. The predominant use of the surrounding area would not change as a result of the proposed project and the impacts would be reduced from the current operating status.

B. Cultural Uniqueness and Diversity

The proposed project would not impact the cultural uniqueness and diversity of the proposed area of operation because the project will occur at an existing facility. The predominant use of the surrounding area would not change as a result of the proposed project and the impacts would be reduced from the current operating status.

C. Local and State Tax Base and Tax Revenue

The proposed project would not impact the local and state tax base and tax revenue because the project would only slightly change current operations at the facility. There would not be any impacts to the area because the proposed project would not change typical operations at the facility. Further, the proposed project would not require any new construction and only a limited number of existing employees/operators and likely no new employees would be required for normal operations of the proposed equipment.

D. Agricultural or Industrial Production

The proposed project would not result in any impacts to agricultural production or land use because the proposed project would operate within the existing Devon site and no additional construction or land disturbance would be required to accommodate the project.

E. Human Health

The FCAA, which was last amended in 1990, requires the EPA to set NAAQS for pollutants considered harmful to public health and the environment. The FCAA established two types of NAAQS, Primary and Secondary. Primary Standards are limits set to protect public health, including, but not limited to, the health of “sensitive” populations such as asthmatics, children, and the elderly. Secondary Standards are limits set to protect public welfare, including, but not limited to, protection against decreased visibility, damage to animals, crops, vegetation, and buildings.

Permit #2923-05 would include conditions and limitations that would require compliance with all applicable national and state air quality standards, including the federal primary and secondary standards. The Department believes that the existing Devon operations maintain compliance with applicable ambient air quality standards; in addition, the Department determined that the project would maintain compliance with the NAAQS/Montana Ambient Air Quality Standards (MAAQS). Any impact to human health would be minor because the potential impacts from the facility after implementing the proposed project would result in less impact to human health than currently exist from the facility.

F. Access to and Quality of Recreational and Wilderness Activities

The proposed project would not impact any access to or quality of any recreation or wilderness activities in the area because the proposed project would operate within the existing Devon site.

G. Quantity and Distribution of Employment

The implementation of the proposed project would require the use of existing Devon personnel for operations and would likely not require any new employees. Therefore, the proposed project would not have an impact on the quantity and distribution of employment in the area.

H. Distribution of Population

The proposed project would not create any new permanent employment that would cause an increase in population in the area. In addition, the proposed project would not have impacts that would cause a decrease in the distribution of population in the surrounding area because the action will take place at a previously disturbed site and the facility would only emit relatively small amounts of emissions.

I. Demands for Government Services

Government services would be required for acquiring the appropriate permits from government agencies. In addition, the permitted source of emissions would be subject to periodic inspections by government personnel. Demands for government services would be minor and consistent with current demands.

J. Industrial and Commercial Activity

The proposed project would result in only minor impacts on local industrial and commercial activity because the proposed project would take place within the existing Devon site. Further, the proposed project would require only a small amount of new construction and would not result in significant additional industrial production.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans or goals in the immediate area that would be affected by the proposed project. The state standards would be protective of the proposed project area.

L. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from the proposed project on the economic and social resources of the human environment in the immediate area would be minor due to the fact that the predominant use of the surrounding area would not change as a result of implementing the proposed project. Further, the proposed project would maintain similar operations to the existing site operations, thereby not requiring new employment or additional employment or immigration to the area. Overall, the proposed project would maintain the operating status quo for the facility and the area at large; therefore, no additional cumulative or secondary impacts would be expected as a result of implementing the proposed project. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in Permit #2923-05.

Recommendation: No EIS is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: Permit #2923-05 would include conditions and limitations to ensure the facility would operate in compliance with all applicable rules and regulations. In addition, as detailed in the above EA there are no significant impacts associated with the proposed project.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

Individuals or groups contributing to this EA: Department of Environmental Quality – Air Resources Management Bureau, Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

EA prepared by: Trista Glazier
Date: December 1, 2005